

CITY OF NEW ORLEANS

LaToya Cantrell, Mayor



Office of Housing Policy and Community Development

Request for Proposals

Development of the Vacant Lot Located at
1141 Esplanade Ave.

GENERAL INFORMATION PACKAGE

Please visit our website at www.nola.gov

TABLE OF CONTENTS

Description of Request for Proposals	2
Application Instructions	3
Legal and Regulatory Authority	3
Definition of Eligible Activities	4
Scoring Component	9
Award process	11

OFFICE OF HOUSING POLICY AND COMMUNITY DEVELOPMENT

January 18, 2019

Development of the Vacant Lot Located at 1141 Esplanade Ave.

Agency: *Office of Housing Policy and Community Development (OCD)*

Action: *Request for Proposals (RFP)*

Summary:

The City of New Orleans Office of Housing Policy and Community Development (OCD) is requesting proposals to develop the City-owned property located at 1141 Esplanade Avenue (at Henriette DeLille Street) for affordable housing. The property will be made available to a qualified developer through a long-term ground lease up to 99 years at a below fair market rate. A ground lease agreement will be negotiated post award.

The City currently owns and manages the vacant lot located at 1141 Esplanade Avenue. The lot runs the length of the block along Henriette DeLille between Esplanade Avenue and Kelerec Street. The property is located in a historic district designated by the Historic Districts Landmark Commission and is zoned as Historic Marigny/Treme/Bywater Commercial District (HMC-2) with a Residential Diversity Overlay District and Arts and Cultural Overlay District designation in place. Multi-family housing is a permitted use in this district. If designed in accordance with the zoning regulations, no conditional use or variance would be required. The overlay districts would not affect the provision of multi-family housing.

Release Date: Application packets are available in Microsoft Word and Excel format, beginning January 18, 2019 from the Office of Housing Policy and Community Development. Contact this office at (504) 658-4200 to have the RFP e-mailed to your organization. You may also download the application from our website at <https://www.nola.gov/community-development/>

Pre-bid Conference: A meeting discussing the RFP will be held on January 31, 2019 at 1340 Poydras Street, 21st Floor Conference at 10:00 AM.

Due Date: **One (1) original completed application plus three (3) copies** must be received by no later than 4:00 PM CDT on Monday, February 28, 2019, at the Office of

Housing Policy and Community Development, located at 1340 Poydras Street, 10th Floor. **No submissions will be accepted after the deadline.**

Proposals must be complete at the time of submission. No addenda will be accepted after submission for consideration.

Organizations who physically deliver the proposal must have their proposal and copies logged in and complete a sign-in sheet. Under no circumstance should an applicant leave a proposal at OCD without completing the required log in procedure. Organizations who mail proposals should do so via a tracked courier or through overnight mail services, allowing enough time for the proposal to be received by the deadline date and time.

Format: All applications must be completed using the forms supplied with this Request for Proposals (RFP). *When replying to questions on the applications, please use a 12 point font size to facilitate reading by scorers.* OCD will not make copies of any applications.

INSTRUCTIONS FOR ALL APPLICATIONS

Proposals will be accepted from non-profit and for profit developers with experience developing at least one (1) twenty-unit-or-greater multi-family affordable housing development. The proposed development may include a combination of market rate and affordable housing units, commercial space, and other property.

Ineligible applicants (eligibility requirements applicable to this RFP):

- Proposals from entities that are delinquent on any Federal, State of Louisiana, or any City of New Orleans debt(s) will not be considered for funding.
- Proposals from previously-funded organizations that have not met audit requirements will not be considered for funding. All audits must be clear of ineligible/disallowed costs related to any and all funding provided by the City of New Orleans.
- No Contractor principal, member, or officer has, within the preceding five years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public records.
- Proposals from entities or managing members that are not in compliance with OCD funding commitments or that have unresolved compliance issues.

LEGAL AND REGULATORY AUTHORITY

The **Neighborhood Housing Improvement Fund (NHIF)** is a fund designated by the City of New Orleans into which proceeds from a special tax authorized by Proposition D of R-91-100 shall be used to improve housing conditions and neighborhood stability. Should funds be

made available to a developer awarded under this Notice of Funding Availability (NOFA) are subject to the requirements of (M.C.S., Ord. No. 26644: 1, 10-15-15) City Code Sec. 70-415.2.

ELIGIBLE ACTIVITIES

Redevelopment of Vacant Lot

Funds may be available to help subsidize construction costs of housing units that will be rented to low- to moderate-income households. Developers are encouraged to seek Project-Based Vouchers and other funding such as non-competitive Multi-family Revenue Bonds (MRBs), Low Income Housing Tax Credits, and Historic Tax Credits.

PROGRAM OBJECTIVES and REQUIREMENTS

The strategic aim of this redevelopment is to promote high opportunity affordable housing, within the boundaries of the Choice Neighborhoods Initiative (CNI). To achieve these goals the City of New Orleans is making available land which will reduce acquisition costs by entering into a long-term ground lease.

Developer's Fee:

Any proposed developer's fee must be specified in the project budget. The amount of any developer's fee must be consistent with the complexity of the proposal but may not exceed 15% of the project's total development costs. The developer's fee will be calculated to be inclusive of construction management fees, broker/disposition fees, and any other fee-related service provided by the developer.

Construction Standard:

All rehabilitation must at a minimum meet the Federal Government's Housing Quality standards and the International Residential Code adopted by the City of New Orleans. Design standards and exterior finishes must comply with the State Historic Preservation Office and the Historic District Landmarks Commission guidelines.

Use of Funds:

Organizations should include in their proposals a description and breakdown of project costs. All such costs should be limited to the amounts that are necessary and reasonable to accomplish the program activities and must meet applicable Federal eligibility restrictions. Eligible costs include, but are not limited to, the following:

1. Acquisition: nominal costs associated with the ground lease.
2. Construction: cost of labor and materials, design costs and other professional services, permitting, and other fees required and directly related to construction.
3. An awarded applicant will be expected to maintain fiscal, physical and managerial

soundness of the development for the longer of the period of affordability or terms of the ground lease. Applicants must assure compliance with all federal cross cutting and OCD regulatory and administrative requirements.

Matching funds:

The City of New Orleans has adopted HOME Program matching requirements for any NHIF funds which may be awarded as part of this RFP. The allowed forms of matching contributions can be found at 24 CFR 92.220 and a chart to list them is included in the attached proposal form. Matching contributions cannot come from other federal programs. Some of the eligible forms of matching contributions are cash contributions, below market interest rates, infrastructure improvements, donated labor, and donated real property.

Affordability Period

All affordable housing units included in the awarded submission must remain affordable throughout the ground lease period. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. Restrictions will be secured by a Mortgage, Promissory Note, and/or Declaration of Restrictions in such form as required by the OCD.

Assisted rental properties must be physically maintained in accordance with City Code and Federal Housing Quality Standards. The Office of Housing Policy and Community Development will reserve the right to inspect all rental properties during the affordability period.

Timeliness

The awarded organizations must meet the milestones established in development schedule. **Projects that do not reach milestones established in their development agreement, may be subject to revocation of the ground lease.**

Key Federal Regulations and Requirements

Environmental Assessment and Impact

The allocation of funds is contingent upon the successful completion of an Environmental Review. After an RFP response that includes a request for NHIF funding has been submitted, **funds (federal or non-federal) may NOT be expended for project related costs until the Environmental Review process has been completed.** NHIF funds may or may not be awarded with the ground lease.

Lead-Based Paint Requirements

Where applicable, construction must be compliant with requirements of 24 CFR Part 35, and all other Federal requirements.

Flood Insurance Requirements

HUD guidelines require that activities carried out in special flood hazard areas (SFHA) purchase and maintain flood insurance protection as a condition of approval of any HUD financial assistance.

Historic Preservation Requirements

An awarded applicant will be required to follow the State Historic Preservation Office standards and conform to the local requirements of the Historic District Landmark Commission (HDLCL).

Fair Housing Impact

In accordance with the fair housing laws, housing programs funded or assisted with federal funds must be administered in a manner that will affirmatively further fair housing. The City of New Orleans, as a recipient of federal funds, must certify that it will affirmatively further fair housing. In order for the City to certify that it will affirmatively further fair housing, it must analyze and eliminate housing discrimination, promote fair housing choice, provide opportunities for racially and ethnically inclusive patterns of housing occupancy, promote housing that is accessible to and usable by persons with disabilities, and foster compliance with the nondiscrimination provisions of the Fair Housing Act, U.S. HUD, Office of Fair Housing and Equal Opportunity, Fair Housing Planning Guide, at 1-1.

Applicants must include a fair housing impact statement addressing not only how they will refrain from housing discrimination, but also how they will ensure that their housing and community development programs are accessible to persons with disabilities and do not contribute to or intensify segregated housing patterns.

Section 3 Requirements

The purpose of Section 3 is to ensure that employment, job training, contracting and other economic opportunities generated by HUD financial assistance shall (to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations) be directed to low and very low income persons residing within the metropolitan area in which the assistance is expended.

For competitively awarded assistance involving housing rehabilitation, construction or other public construction, where the amount awarded to the applicant exceeds \$200,000, contractors and subcontractors agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3 of the Housing and Urban Development Act of 1968. You may contact our Labor Compliance Bureau at (504) 658-8418 or email meredler@nola.gov to learn more about the Section 3 program.

Davis Bacon Requirements

Agencies awarded construction or rehabilitation projects must ensure that they meet requirements specified under the Davis-Bacon Act. The Act requires that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under HUD programs shall be paid

wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C.276a--276a-5). You may contact our Labor Compliance Bureau at (504) 658-8418 or email meredler@nola.gov to learn more about the Davis Bacon requirements.

Disadvantaged Business Enterprises (DBE)

The City of New Orleans has established an overall goal of 35% utilization of socially and economically disadvantaged businesses for all public spending or private projects that utilize public funding and/or incentives (City Ordinance 70.432.1). The Office of Supplier Diversity oversees certification, compliance, training and outreach events for local, small and disadvantaged businesses in the City of New Orleans. (Note: Capacity Building training is being conducted by New Orleans Business Alliance (NOLABA).

Unless a waiver of DBE requirements was granted prior to the release of a solicitation, you must include with your bid, RFP or RFQ response ***DBE Participation Form 1*** that includes the following information:

1. Name and contact information of the DBE firm(s) you will work with if awarded a contract;
2. The scope of work for the commercially useful function the DBE firm(s) will perform on the contract;
3. The percentage of work of the total project to be performed by the DBE firm(s) on the project (e.g., 35%); and
4. A letter from the DBE firm(s) and on their letterhead acknowledging their participation with your firm on the project.

Leveraging

The use of federal funds to stimulate the investment of non-governmental (particularly non-federal) funding sources in the financing of a project or program is called "leveraging". The applicant should strive to secure non-governmental funds in order to minimize the need for limited governmental funds. The more leverage that can be attained, the more low-income persons can be assisted.

Audit Requirements

OCD requires that organizations submit audited financial statements with their RFP response(s). Annual audits will be required annually from the awarded development throughout the term of the ground lease.

APPLICANT SELECTION PROCESS

Applications will be reviewed to ensure that they meet the following threshold requirements:

- a) The activities for which assistance is requested must be eligible under the HOME Program and correspond to the Eligible Activities section of this RFP.

- b) The activities must be specified in the RFP and fall under the category: Development/Redevelopment of the vacant lot located at 1141 Esplanade Avenue.
- c) Organizations that receive assistance through the RFP must be in compliance with applicable civil laws and Executive Orders regarding fair housing and equal opportunity.
- d) The proposed development is financially feasible. An alternant source of funding must be available for any applicant that requests funding that is not awarded with the ground lease.

SCORING COMPONENT

Support documentation for each requested point item must be included in the application submission.

I. PROJECT READINESS & DEVELOPMENT SCHEDULE		MAXIMUM 25 POINTS
Readiness to Proceed	Readiness to Proceed - All evidence must be submitted in the file in order to obtain points.	
	5 points	Executed Commitments
	5 points	Developer Service Agreements
	5 points	Partnership Agreements
	5 points	Management Company Agreement
	5 points	Project schedule reflecting the ability to begin construction within 6 months of award.

II. FEASIBILITY		MAXIMUM 25 POINTS
Ability to develop the site without City funding (NHIF, HOME, etc.).	25 points - Project is feasible without City of New Orleans funding.	

III. SAMPLE PRELIMINARY PLOT PLANS AND ELEVATIONS		MAXIMUM 10 POINTS
Plot Plans and Elevations	10 points	Sample floor plans and elevations.
	5 points	Sample schematic designs.

IV. FOR RENTAL DEVELOPMENT PROJECTS		MAXIMUM 10 POINTS
Affordability	OCD will review the affordability data supplied by the applicant and will use it to calculate the income level to which the housing will be affordable. All housing assisted with NHIF funds must be affordable to families with incomes of 80% of the area median family income or below.	
	10 points	Mixed rate development with at least 30% of the units set aside for households with

		incomes below 50% of the area median family income.
	5 points	All Housing will be affordable to families with incomes between 60% and 80% of the area median family income.
V. PROJECT COMPLETION RECORD Maximum 20 Points		
Completion Record	OCD will review and consider the applicant's prior performance in the completion of projects on a timely basis in accordance with the original approved development schedule.	
	20 points	Applicant has completed all projects on a timely basis.
	15 points	Applicant has had minor difficulty in completing projects on a timely basis (less than ninety days delay in the project schedule).
	0 points	Applicant has had major difficulty in completing at least one project on a timely basis.
VI. PROJECT SERVES SPECIAL NEED HOUSEHOLDS AND PROVIDES SUPPORTIVE SERVICES AT NO COST TO SPECIAL NEEDS RESIDENTS. MAXIMUM 15 POINTS		
Permanent Supportive Housing, Veterans, Disabled, Formerly Incarcerated and/or Persons Living With AIDS	15 points	30% of such households
	10 points	20% of such households
	5 points	10% of such households
VII. PROJECT AMENITIES MAXIMUM 40 POINTS		
A. Project amenities are provided at no additional cost to the residents.	2 points	Green building design
	2 points	Community Facility
	2 points	Computer Center
	2 points	Fitness facility
	2 points	Microwave in unit
	2 points	Washer and dryers in units
	2 points	WiFi

	2 points	Community garden
	2 points	On-site security
	2 points	Other, explain
B. Green Space is incorporated in the projects design.	20 points	Park or community green space

Please note that the City of New Orleans reserves the right to fund lower rated proposals over higher scoring proposals in order to address gaps in services and to provide an equitable distribution of funds to help an underserved population, or other priority.

AWARD PROCESS

The City of New Orleans will notify in writing applicants selected for funding within 90 days of the RFP deadline. All awards are subject to further contract negotiation and availability of funds.

As necessary, the Office of Housing Policy and Community Development will subsequently request that selected applicants submit additional project information. Any request for additional documentation is to confirm or clarify information provided in the application or to revise information provided in the application based on the level of funding.

Awards may contain conditions and/or include amendments to the proposals contained in the application. All awards will contain performance goals, including the development and implementation of timelines and number of units developed and/or persons served. The award that proceeds to contract will be for a defined term with conditions for renewal and extension.

THE CITY OF NEW ORLEANS RESERVES THE RIGHT TO CANCEL, IN WHOLE OR IN PART, THIS RFP AT ANY TIME AND WITHOUT NOTIFICATION.